

## **EXHIBIT 19**

1 UNITED STATES DISTRICT COURT  
2 FOR THE SOUTHERN DISTRICT OF NEW YORK

3 GOVERNMENT OF THE UNITED )  
4 STATES VIRGIN ISLANDS )

5 Plaintiff, )

6 vs. )

1:22-cv-10904-JSR

7 JPMORGAN CHASE BANK, N.A., )

8 Defendant/Third- )  
9 Party Plaintiff. )

10 JPMORGAN CHASE BANK, N.A. )

11 Third-Party )  
12 Plaintiff, )

13 vs. )

14 JAMES EDWARD STALEY, )

15 Third-Party )  
16 Defendant. )

17 MONDAY, JULY 10, 2023

18 CONFIDENTIAL - PURSUANT TO PROTECTIVE ORDER

19 - - -

20 Videotaped deposition of Stephen M.  
21 Cutler, held at the offices of Milbank LLP,  
22 55 Hudson Yards, New York, New York,  
23 commencing at 12:33 p.m. Eastern, on the  
24 above date, before Carrie A. Campbell,  
25 Registered Diplomat Reporter, Certified  
Realtime Reporter, Illinois, California &  
Texas Certified Shorthand Reporter, Missouri,  
Kansas, Louisiana & New Jersey Certified  
Court Reporter.

- - -

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1 proceeding, but I think it was enough to make  
2 people feel that indeed Mr. Staley had  
3 communicated with the media beyond what he  
4 was authorized to do.

5 Q. Were there allegations of  
6 improper conduct by Mr. Staley in connection  
7 with the London Whale incident that were  
8 unrelated to these unauthorized  
9 communications?

10 A. I don't think so.

11 Q. Between 2007 and 2012, what was  
12 your understanding of Mr. Staley's  
13 relationship with Jeffrey Epstein?

14 A. My understanding at that time  
15 was that he had a close business  
16 relationship, that he was the primary  
17 interface with Mr. Epstein among JPMorgan  
18 personnel, that he liked Mr. Epstein, that he  
19 trusted Mr. Epstein, and he thought highly of  
20 Mr. Epstein.

21 Q. In your experience, did  
22 Mr. Staley's views of Mr. Epstein evolve over  
23 time between 2007 and 2012?

24 A. I don't remember that.

25 Q. To your knowledge, how did

1 Mr. Staley come to know Mr. Epstein?

2 A. I don't know.

3 Q. Do you know how long they had  
4 known each other?

5 A. I believe they had known each  
6 other since before I arrived at JPMorgan,  
7 which was in 2007.

8 Q. Did you understand Mr. Staley  
9 to be personal friends with Epstein?

10 A. I don't think I thought of them  
11 as personal friends. I know that sometimes  
12 the line between sort of client relationship  
13 and personal relationship can get blurry at  
14 times, and this one may have been one of  
15 those relationships where that line was  
16 blurry. But I really thought of them as  
17 business colleagues, but close business  
18 colleagues.

19 Q. Did you understand at the time  
20 that that line may have been blurry?

21 A. I know that Mr. Staley had a  
22 close business relationship, and that's how I  
23 would have thought of it at the time.

24 Q. Did you understand Mr. Staley  
25 to have a closer relationship with

1 Mr. Epstein than with other clients of the  
2 bank?

3 A. I think so. Certainly he had a  
4 closer relationship with Mr. Epstein than he  
5 did with some other clients. I don't know  
6 that his relationship -- I didn't know at the  
7 time that his relationship with Mr. Epstein  
8 was markedly different from other clients  
9 with whom Mr. Staley had a close business  
10 relationship.

11 Q. To your knowledge, did  
12 Mr. Staley and Mr. Epstein socialize with one  
13 another?

14 A. I don't think I knew one way or  
15 another. I don't remember knowing.

16 Q. To your knowledge, did  
17 Mr. Staley visit Mr. Epstein's house in  
18 New York?

19 A. I think that occurred. I think  
20 that there was enough of a close relationship  
21 that Mr. Staley did visit Mr. Epstein, and I  
22 believe I was aware of that at the time.  
23 Yes.

24 Q. What was your understanding of  
25 how many times he had visited Mr. Epstein's

1 house?

2 A. I don't think I had an  
3 understanding of that.

4 Q. To your knowledge, did  
5 Mr. Staley visit Epstein's property in the  
6 Virgin Islands?

7 A. I don't remember.

8 Q. What about --

9 A. I now know that to be the case  
10 from things that I've read, but I don't  
11 remember whether I knew that at the time.

12 Q. What about his property in New  
13 Mexico?

14 A. I would say no.

15 Q. You were not aware that he had  
16 visited the property in New Mexico?

17 A. I don't think I knew there was  
18 a property in New Mexico, and that's why I  
19 think I can say I was unaware that he visited  
20 it.

21 Q. In your experience, is it  
22 unusual for JPMorgan bankers to meet with  
23 clients outside of JPMorgan's offices?

24 A. I don't think it's -- I don't  
25 think it's highly unusual.

1 Q. That was a fairly common  
2 occurrence?

3 A. I wouldn't say that either. I  
4 don't know that it was common, but I wouldn't  
5 say it was rare either.

6 Q. It's not something that would  
7 pique your attention?

8 A. I don't think so. I think for  
9 close business relationships, there would be  
10 socializing and, you know, business lunches  
11 or dinners or entertainment outside of  
12 JPMorgan's premises.

13 Q. You used the term "close  
14 business relationship."

15 What do you mean by that?

16 A. I mean a business relationship  
17 that was more than perfunctory or one in  
18 which the JPMorgan person would call once a  
19 quarter. I had the sense that it was closer  
20 than that.

21 Q. Did you have the sense that  
22 they were in daily communication?

23 A. No.

24 Q. Did you have the sense that  
25 they were in weekly communication?

1           A.       I don't think so. I don't  
2 think I thought about frequency of  
3 communication.

4           Q.       What was your understanding of  
5 Mr. Staley's position vis-à-vis the bank's  
6 Epstein relationship?

7           A.       I don't know what you mean.

8           Q.       Who, to your understanding,  
9 oversaw the Epstein relationship in the 2007  
10 to 2011 time period?

11          A.       Well, I think -- as I said  
12 before, I think Mr. Staley was the primary  
13 interface with Mr. Epstein. That was, from  
14 my perspective, consistent throughout the  
15 time that I was -- had any involvement in the  
16 Epstein account. But there would be others  
17 at the firm that were also a part of the  
18 relationship between JPMorgan and  
19 Mr. Epstein.

20          Q.       Who were those others?

21          A.       Mary Erdoes. I can't remember  
22 who the heads of the private bank would have  
23 been when Ms. Erdoes acceded to the head of  
24 asset management, but whoever those people  
25 were.



1 my impression at the time was, I don't think  
2 Mr. Staley cared much about whether my  
3 position was independent or not independent.  
4 He just wanted me to come out to the same  
5 conclusion that Mr. Staley was expressing to  
6 me, that Mr. Epstein should remain a client  
7 of the firm.

8 Q. But Mr. Staley never did  
9 anything to prevent you from formulating your  
10 own independent judgment about Epstein,  
11 correct?

12 A. Not that I was aware of.  
13 Did he tell me everything he  
14 knew? I don't know. That's part of what  
15 this lawsuit is about, I suspect.

16 But was I aware that Mr. Staley  
17 was throwing roadblocks in my way? I was  
18 not.

19 Q. Mr. Staley never encouraged you  
20 not to review information relating to  
21 Mr. Epstein's accounts, correct?

22 MR. GAIL: Objection.

23 THE WITNESS: I don't remember  
24 that.

25

1 not trying to -- I'm just trying to  
2 understand the distinction.

3 MR. GAIL: It was young.

4 MR. WARREN: Let me --

5 MR. EDELMAN: Why don't you ask  
6 a new question.

7 MR. WARREN: Thank you.

8 QUESTIONS BY MR. WARREN:

9 Q. You would have expected  
10 Mr. Staley to tell you if he saw young women  
11 at Epstein's properties?

12 A. I would have. I would have  
13 expected Mr. Staley to tell me about any  
14 activity that in light of Mr. Epstein's  
15 conviction might have cast doubt on whether  
16 there were continuing issues of concern.

17 Q. And the presence of young women  
18 in Mr. Epstein's -- at Mr. Epstein's  
19 properties is one of those things you would  
20 have expected him to tell you?

21 A. It might depend on a bunch of  
22 other circumstances as well. And, for  
23 example, what were those women doing, and  
24 what interaction did Mr. Staley have with  
25 them, and what interactions did Mr. Staley

1 A. Not that I can recall.

2 Q. Did you have any conversations  
3 with Mr. Staley about Mr. Epstein in 2010?

4 A. No.

5 Q. Did you have any conversations  
6 with anyone at JPMorgan about Mr. Epstein in  
7 those two years?

8 A. I'm trying to remember the  
9 timeline. He was convicted or pled guilty in  
10 2008. I don't believe I had conversations  
11 with people at JPMorgan about Mr. Epstein in  
12 2009 and 2010. I think -- I think it wasn't  
13 until 2011 that I had discussions about  
14 Mr. Epstein.

15 Q. And the 2011 discussions arose  
16 when Mr. Langford brought the issue to your  
17 attention?

18 A. That's how I remember it.

19 Q. What happened when Mr. Langford  
20 brought the Epstein relationship to your  
21 attention in 2011?

22 A. What I remember is Mr. Langford  
23 raising the issue about Mr. Epstein and the  
24 press surrounding Mr. Epstein. I think  
25 Mr. Langford also talked about the

1 anti-trafficking initiative.

2 I also remember at the same  
3 time talking to Mr. Staley, and I think it  
4 was following Mr. Langford raising the issue  
5 with me. I think Mr. Staley, passing along a  
6 request of Mr. Epstein's, asked that we  
7 contact Mr. Epstein's lawyer.

8 As I recall it, Mr. Staley  
9 thought that the lawyer would vouch for  
10 Mr. Epstein in some way, and maybe it was to  
11 speak to the question of whether there was,  
12 in fact, an ongoing investigation.

13 I do remember Mr. Staley asking  
14 me to reach out to the lawyer for  
15 Mr. Epstein.

16 Q. And your understanding was that  
17 he was doing that at the request of  
18 Mr. Epstein?

19 A. That's how I understood it.

20 Q. Did Mr. Staley add his own  
21 comments or thoughts at the time, or was he  
22 merely conveying the request of Mr. Epstein?

23 A. I think at this time and  
24 subsequently Mr. Staley made clear that, you  
25 know, Mr. Epstein had turned a page, he

1 had -- and these are words that Mr. Staley  
2 used -- had paid his debt to society and that  
3 we ought to be continuing to bank Mr. Epstein  
4 at JPMorgan.

5 Q. You recall Mr. Staley using  
6 those words in 2011?

7 A. The -- I definitively remember  
8 the words "he paid his debt to society."  
9 You know, do I remember the  
10 other words precisely coming out of  
11 Mr. Staley's mouth that way? No, but those  
12 words I remember.

13 Q. But do you remember him using  
14 those words generally, or you remember him  
15 using them specifically in 2011?

16 A. I believe it was in 2011.

17 Q. Had he expressed a similar  
18 sentiment in 2008?

19 A. Well, in 2008, I don't think  
20 the debt was paid, if you will. I don't  
21 think Mr. Epstein had served a sentence.

22 But in 2011, he had served a  
23 sentence and, as I remember it, Mr. Staley  
24 used those words.

25 (Cutler Exhibit TX38 marked for

1     talked to Mr. Epstein's lawyers.

2                     I can't remember what other  
3     information was in the mix, but I think at  
4     that point in time my view was there was too  
5     much reputation risk associated with  
6     Mr. Epstein.

7             Q.       Was your assessment of the  
8     Epstein relationship based entirely on  
9     reputation risk or did you also evaluate  
10    legal risk and compliance risk?

11            A.       I don't remember legal risk or  
12    compliance risk being presented to me as the  
13    issue here; that the issue was one of  
14    reputation. And that's how it was framed for  
15    me.

16            Q.       When you arrived at the view  
17    that the bank should off-board Mr. Epstein,  
18    who did you communicate that to?

19            A.       I remember communicating it to  
20    Mr. Staley. I believe I communicated it to  
21    Mr. Langford and Mr. Schwartz and potentially  
22    to Ms. Shenker. I don't recall communicating  
23    it to others.

24            Q.       What did Mr. Staley say when  
25    you communicated that view?

1 Steve is looking for the relationship to be  
2 terminated, so I'm going to back out."

3 Do you see that?

4 A. I do.

5 Q. And Ms. Shenker responds, "Is  
6 Jes going to talk to Mary to execute the  
7 termination?"

8 Do you see that?

9 A. I do.

10 Q. And then Mr. Schwartz responds,  
11 "I don't think he has any plans to do so. He  
12 understands that Steve is quite firm on the  
13 subject and is stepping back and letting  
14 AM/PB handle it as it sees fit."

15 Do you see that?

16 A. I do.

17 Q. Who do you understand AM to  
18 reference in that e-mail?

19 A. Asset management.

20 Q. Do you recall that in April  
21 of 2011 that Mr. Staley did, in fact, step  
22 back from the Epstein relationship?

23 A. I don't recall that.

24 Q. You don't recall it one way or  
25 the other?

1           A.       I don't remember a point in  
2   time in which I had any involvement in  
3   Epstein in which Jes Staley was not involved.

4           Q.       Was there a point --

5           A.       Inclusive of the April time  
6   period, the July time period that encompasses  
7   the e-mail that we discussed earlier, and  
8   then in subsequent involvement that I had  
9   with the Epstein account, Mr. Staley was  
10  involved every step of the way.

11          Q.       Was there a point when  
12  Ms. Erdoes became increasingly involved in  
13  the Epstein relationship?

14          A.       In 2011? I just don't recall  
15  that happening.

16          Q.       Was there any point in time  
17  where Ms. Erdoes became increasingly involved  
18  in managing the Epstein relationship?

19          A.       Well, I know when Mr. Staley  
20  left the firm, at that point, I'm quite sure  
21  that Ms. Erdoes became more involved than she  
22  would have been previously.

23          Q.       So you have no recollection of  
24  Ms. Erdoes being involved in the Epstein  
25  relationship before Mr. Staley left the firm?



1 or the other whether you were having  
2 one-on-one phone calls with Ms. Erdoes about  
3 the Epstein relationship in this same time  
4 frame?

5 A. I don't remember doing that,  
6 and I would think I would remember if I did,  
7 but I don't remember it.

8 But I see this, and I  
9 certainly -- I have no reason to doubt that I  
10 sent this e-mail that says, "I would like to  
11 put it," meaning the litigation, "and him,"  
12 meaning Epstein, "behind us. Not a person we  
13 should do business with, period."

14 And I communicated that to  
15 Ms. Erdoes in this e-mail.

16 Q. And Mr. Staley was not copied?

17 A. He was not.

18 Q. You testified, I think, that  
19 you remember a couple of conversations with  
20 Mr. Staley from 2011, one in the March, April  
21 time frame, and then one in the latter part  
22 of the year when he asked you to meet with  
23 Mr. Epstein.

24 Is that right?

25 A. Let me just make sure I'm clear

1 about this.

2 I think in the March, April  
3 time period there were two conversations:  
4 one in which Mr. Staley asked that we call  
5 Mr. Epstein's lawyer, and then a subsequent  
6 conversation in which I relayed my advice to  
7 Mr. Staley that we should exit the account.  
8 So call that the early 2011 time period.

9 And then later in 2011, at  
10 Mr. Staley's request, I met with Mr. Epstein.  
11 That was -- the request was, would you please  
12 hear him out. Again, to be clear, the  
13 request was from Mr. Staley was, would I  
14 please hear out Mr. Epstein.

15 Q. And you don't recall any  
16 conversations with Mr. Staley in July of 2011  
17 around the time period of these settlement  
18 discussions?

19 A. I don't. It's possible that I  
20 had one or more, but I don't have a specific  
21 recollection.

22 Q. What do you recall specifically  
23 about the conversation in late 2011?

24 MR. EDELMAN: Which one?

25 MR. WARREN: The one you had

1     you expressed to them about the Gates  
2     Foundation arrangement?

3             A.       I think I need to consult with  
4     JPMorgan's lawyers on privilege before I can  
5     answer that question.

6             MR. EDELMAN:   Okay.

7             MR. WARREN:    Okay.

8             MR. GAIL:   Do you want to come  
9     back?   Do you want to skip and do  
10    other stuff, or do you want to break  
11    and do this?

12            MR. WARREN:   Let's go to the  
13    subsequent conversation about meeting  
14    with Mr. Epstein, and then we'll come  
15    back to the Gates Foundation.

16            THE WITNESS:   Okay.

17    QUESTIONS BY MR. WARREN:

18            Q.       So what do you recall about  
19    that request to meet with Mr. Epstein in the  
20    second half of 2011?

21            A.       Again, I remember those words,  
22    "would you please hear him out."

23                    And I -- the -- again, the  
24    frame for this conversation was, I think --  
25    I, Mr. Staley, think that we should maintain

1 an account for Mr. Epstein. Why don't you  
2 hear him out.

3 That's the essence of the  
4 conversation as I recall it.

5 Q. Your recollection is that he  
6 reiterated at that time specifically that he  
7 thought the bank should maintain a  
8 relationship with Epstein?

9 A. Yes. In one -- in one way or  
10 another, that was the context for the request  
11 that I hear out Mr. Epstein.

12 Q. Why did he want to maintain  
13 that relationship as expressed to you?

14 A. I think Mr. -- as I understood  
15 it at the time, Mr. Staley simply thought --  
16 again, I'm repeating what I said earlier, and  
17 I think what Mr. Staley expressed earlier in  
18 the year, he paid his debt to society, he is  
19 trusted by a lot of people. It was in the  
20 frame of, gee, it would somehow be unfair for  
21 JPMorgan to jettison the Epstein account, and  
22 won't you hear him out.

23 Q. Did he say specifically what  
24 Epstein was -- wanted to talk to you about?

25 A. I actually don't remember. I

1 don't remember that. It's possible he did,  
2 but I don't remember him saying, he wants to  
3 tell you about X, Y or Z.

4 Q. And was your understanding at  
5 the time that this was Mr. Staley's idea that  
6 you sit down with Epstein or was this  
7 Epstein's idea?

8 A. I don't remember. I don't  
9 remember whether I thought it was -- and  
10 Mr. Staley thought -- clearly thought it was  
11 a good idea. I don't -- I don't remember  
12 whether I thought, gee, this was initiated by  
13 Mr. Epstein or it was initiated by  
14 Mr. Staley. I can't remember.

15 Q. Why do you say he clearly  
16 thought it was a good idea?

17 A. He wanted me to do it.

18 Q. Why do you know he wanted you  
19 to do it as opposed he's passing along a  
20 request from Epstein?

21 MR. EDELMAN: Objection to  
22 form.

23 THE WITNESS: The clear  
24 sentiment that I got, in words or  
25 substance, was, I'd like you to do

1           this. I think he deserves a hearing.

2       QUESTIONS BY MR. WARREN:

3           Q.       And you subsequently met with  
4       Mr. Epstein?

5           A.       I did.

6           Q.       How many times?

7           A.       I know I met with him in person  
8       once. I then had a follow-up that I -- I  
9       just can't remember whether that follow-up  
10      was in person or over the phone.

11          Q.       And what did you ultimately  
12      conclude after those meetings?

13          A.       I concluded that I thought that  
14      we should exit the account.

15          Q.       Did you communicate that to  
16      Mr. Staley?

17          A.       I did.

18          Q.       When?

19          A.       Following the second meeting.

20          Q.       Which was when?

21          A.       I want to say a month after the  
22      first meeting, thereabouts. It could have  
23      been six weeks, two months.

24          Q.       In late 2011?

25          A.       I think so.

1 Q. And when you communicated that  
2 view to Mr. Staley, what did he say?

3 A. I don't remember. I know he  
4 didn't agree with my view. I just -- it  
5 doesn't -- I can't -- I can't sum it up what  
6 he said or communicated to me at that time.

7 Q. Do you remember anything about  
8 that conversation?

9 A. I remember saying, I haven't  
10 changed my mind. I think it's a bad idea. I  
11 would not keep him as a client.

12 I don't remember if Mr. Staley  
13 said, that's outrageous. I doubt he --  
14 that's not -- that's not the way Jes would  
15 speak. I don't remember what he communicated  
16 in response.

17 I know he didn't agree with my  
18 advice.

19 Q. Did he tell you why he was  
20 seeking your advice?

21 A. At that point? I don't -- I  
22 don't think so. I -- no, he did not.

23 Q. Did you tell Mr. Staley -- what  
24 specifically did you tell him about  
25 off-boarding Mr. Epstein? Did you tell him

1 the bank should do it? The bank needed to do  
2 it?

3 A. I'm certain that I would have  
4 said, I don't think we should maintain this  
5 account. I don't think I would have said, we  
6 are required to exit this account.

7 Q. After that conversation with  
8 Mr. Staley, when was the next discussion you  
9 had with him about Mr. Epstein?

10 A. I don't recall having another  
11 one.

12 Q. So that may have been your last  
13 conversation with Mr. Staley about  
14 Mr. Epstein?

15 A. It may have been. It's  
16 possible I had a subsequent one; I just don't  
17 remember it.

18 Q. You don't have any specific  
19 recollection of either e-mail or voice  
20 communications with Mr. Staley about Epstein  
21 in 2012 or 2013?

22 A. No, I do not. And if there was  
23 an e-mail, I suspect you would have it.

24 Q. What happened with the Epstein  
25 relationship in 2012?



1 exit the account.

2 I don't know what Mr. Staley  
3 did at that point, and I don't remember  
4 why -- or what happened to cause the account  
5 to remain open for 2012 and into 2013.

6 Q. In 2011, both early 2011 and  
7 late 2011 when you had these conversations  
8 with Mr. Staley about the Epstein  
9 relationship --

10 A. Uh-huh.

11 Q. -- in either of those  
12 conversations, did you tell Mr. Staley that  
13 the bank must off-board the Epstein  
14 relationship?

15 A. I don't think I would have put  
16 it that way. I don't think I at the time  
17 would have said, gee, there's a legal  
18 requirement that we off-board this account or  
19 there's a legal impediment to maintaining the  
20 account.

21 My view was, based on the  
22 reputation associated with Mr. Epstein's  
23 account and reputation risk associated with  
24 the account, that we shouldn't. But I don't  
25 think I would have said, we must not.

1           Q.       You never communicated to  
2   Mr. Staley or anyone else that you were  
3   revoking your approval for the account,  
4   correct?

5           A.       I don't even think I thought  
6   about the -- that as a thing.

7           Q.       Why not?

8           A.       Well, the approval was what it  
9   was. Now we were looking at the account for  
10   reputation risk reasons.

11          Q.       What additional factors, you  
12   know, weighed into your approval of him under  
13   the felon policy in addition -- besides  
14   reputational risk factors?

15          A.       I'm sorry, back in 2008?

16          Q.       Well, under the felon approval  
17   policy at the bank, what was your  
18   understanding of the factors that you were  
19   supposed to consider in deciding whether to  
20   approve a convicted felon?

21          A.       I'm not sure I understand the  
22   question.

23                   I'm going to say this --

24                   MR. EDELMAN: Okay. Why don't  
25                   we get a new question that you

1 understand.

2 THE WITNESS: Okay.

3 QUESTIONS BY MR. WARREN:

4 Q. You testified earlier that  
5 you're familiar with the bank's felon  
6 approval policy, right?

7 A. Correct.

8 Q. And under that policy, you were  
9 required, or the chief risk officer was  
10 required, to approve a relationship with a  
11 convicted felon, correct?

12 A. Correct.

13 Q. What was your understanding of  
14 the factors that you or the chief risk  
15 officer were supposed to consider in deciding  
16 whether to give that approval?

17 A. I think it was pretty  
18 open-ended.

19 Q. What --

20 A. I mean, the policy itself  
21 didn't lay out factors. No one ever said to  
22 me, you must consider X or Y or Z.

23 Q. What are the factors that you  
24 actually considered when making that  
25 determination under the policy?

1           A.       Back in 2008, I just don't  
2   remember. I just don't remember.

3           Q.       Was it -- do you think it would  
4   have been something beyond reputational risk  
5   factors?

6                   MR. GAIL: Objection.

7                   THE WITNESS: I don't know.

8   QUESTIONS BY MR. WARREN:

9           Q.       Had the reputational risk  
10   situation materially changed from 2008 to  
11   2011?

12          A.       I believe it had, actually.  
13   The media coverage increased significantly.  
14   The number of lawsuits that Mr. Epstein had  
15   settled.

16          Q.       You had the authority at that  
17   time to revoke the approval that you had  
18   given in 2008, correct?

19                   MR. GAIL: Objection.

20                   THE WITNESS: I don't know  
21   where you're getting that from.

22   QUESTIONS BY MR. WARREN:

23          Q.       You don't think you had the  
24   approval to revoke -- you had the authority  
25   to revoke your approval?

1           A.       Again, I think that the -- as I  
2       understood this policy, the requirement was  
3       that the GC or chief risk officer approve at  
4       the time of the -- of the conviction, or at  
5       the time the account was entering the firm, I  
6       suppose, if it were a previous conviction,  
7       but didn't contemplate that you would, like,  
8       have forever more a veto power over the  
9       account. That's not how I understood the  
10      policy. It certainly didn't get presented to  
11      me that way.

12                   And so the -- in 2011, the  
13      question was, did we think that this was --  
14      from a reputation risk perspective, did we  
15      think it was okay to maintain that account.  
16      And my view was, I didn't. And I  
17      communicated that.

18           Q.       You didn't understand the felon  
19      approval policy to give you and the chief  
20      risk officer veto power over accounts  
21      relating to convicted felons?

22           A.       Forever more?

23                   MR. EDELMAN: Objection. Form.

24                   THE WITNESS: No, I did not.

25                   If that's what the policy

1 contemplated, it would have said that.

2 QUESTIONS BY MR. WARREN:

3 Q. Well, the policy doesn't say  
4 anything about a one-time approval either,  
5 does it?

6 A. Well --

7 MR. GAIL: Objection.

8 MR. EDELMAN: Objection to  
9 form.

10 THE WITNESS: You know, I think  
11 that's what the policy means.

12 QUESTIONS BY MR. WARREN:

13 Q. That's how you interpreted the  
14 policy?

15 MR. EDELMAN: Objection to  
16 form.

17 QUESTIONS BY MR. WARREN:

18 Q. That's how you interpreted the  
19 policy?

20 A. I never understood --

21 MR. EDELMAN: Well, do you have  
22 the policy in front of you?

23 THE WITNESS: I don't.

24 MR. EDELMAN: Is this --

25 THE WITNESS: Yeah.

1 MR. EDELMAN: You may want to  
2 take a look at the policy.

3 THE WITNESS: Okay. I actually  
4 don't have that.

5 MR. EDELMAN: Is it -- do I  
6 have it?

7 THE WITNESS: Is this the copy?

8 MR. GAIL: It's Cutler 5.

9 MR. EDELMAN: It's page 7.

10 THE WITNESS: Yeah, I -- as I  
11 read this, I would say it does not  
12 contemplate that you -- that one  
13 serving in the role as general counsel  
14 or chief risk officer has forever  
15 more, after a decision is made to  
16 accept a client, to then reject the  
17 client based on this policy.

18 QUESTIONS BY MR. WARREN:

19 Q. Is there language in here that  
20 you read to provide for a one-time approval  
21 and no subsequent re-approval?

22 A. I -- it doesn't say anything  
23 about re-approval, and it contemplates the  
24 approval. I would naturally read that to be  
25 a one-time approval.

1 And I would also add, by  
2 practice, it simply didn't work the way  
3 you're suggesting. No one on any client came  
4 to me and said, ah, okay, now you should  
5 withdraw your approval, and if you don't  
6 reapprove, we can't do the account. Or you  
7 should revoke your approval. No one ever  
8 suggested that to me.

9 Q. So your understanding in 2011  
10 was that you did not have the authority to  
11 off-board the Epstein account?

12 A. Not based on the considerations  
13 that were framed for me and at issue in 2011,  
14 no. I didn't have that singular authority.

15 Q. If you believed that the  
16 business was making a decision inconsistent  
17 with the best interests of JPMorgan, what in  
18 your mind was the proper recourse?

19 MR. GAIL: Objection. Form.

20 THE WITNESS: As a hypothetical  
21 matter?

22 Yeah. If the business  
23 disagreed with me about a judgment  
24 that I had, it -- the recourse that I  
25 had might depend on the nature of the



1 issue at hand.

2           And again, if -- you know,  
3 there invariably would be times where  
4 the business wouldn't necessarily  
5 agree with my judgment, and I'd say,  
6 okay. I mean, I suppose you do that  
7 every day as a lawyer, too. There are  
8 times when you will say, well, I think  
9 this, but I understand. If you want  
10 to do something else, you can do it.  
11 It's not illegal. I wouldn't do that.

12           You might -- you know, along  
13 the spectrum, you might say, you know,  
14 absolutely not. Over my dead body.  
15 You might say, it's illegal, in which  
16 case I think I would have the final  
17 word.

18           But, you know, again, there may  
19 be occasions where you would say, I  
20 understand; we have a difference; I  
21 think this; you think differently.

22           There might be an occasion  
23 where I would say, I think this, you  
24 think differently, and, you know, I'm  
25 going to do something about that

1           because I think differently.

2                       There might be an occasion

3           where I'd say, I think differently

4           because I think it's unlawful.

5   QUESTIONS BY MR. WARREN:

6           Q.       In the context of reputational  
7   risk concerns, there could be reputational  
8   risks that you considered so grave that you  
9   would escalate your concerns to someone else,  
10   fair?

11          A.       I could. I don't remember  
12   circumstances where that occurred, but I  
13   suppose I could.

14                    I mean, you could escalate any  
15   issue.

16          Q.       Your concerns with the Epstein  
17   relationship, fair to say, weren't so  
18   significant that you thought it was worth  
19   escalating them above Mr. Staley and  
20   Ms. Erdoes?

21          A.       I wouldn't characterize it that  
22   way, but I -- in fact, I didn't escalate it.  
23   I understood that someone could have a  
24   different view than I had. I articulated a  
25   strong view, that I didn't think we should do

1 it.

2 I couldn't say to Mr. Staley, I  
3 think what you're doing is illegal, and I  
4 didn't think it was -- at the time, based on  
5 what I knew, I didn't think it was  
6 absolutely, incredibly, awfully the worst  
7 decision ever made. I understood that he  
8 could have a different view, and he did.

9 Q. And you thought that his view  
10 was not so unreasonable that it warranted  
11 escalating it to someone else?

12 A. I don't remember escalating it.  
13 I understood that he had a different view  
14 than I did, and I didn't think it was crazy.  
15 I disagreed with it, and I told him I  
16 disagreed with it.

17 Q. Did you talk to Ms. Erdoes  
18 about her views on whether the relationship  
19 should be off-boarded?

20 A. Again, I don't remember a  
21 direct communication, but you pointed out the  
22 e-mail in which I clearly expressed that  
23 sentiment. I don't remember having an actual  
24 in-person or on-the-phone dialogue about it.  
25 I just don't remember. It's possible that I

1 to try to find that document so I can remind  
2 myself.

3 Q. Of course. It was Cutler 31.

4 A. Okay. Yep. I got it. Hold  
5 on.

6 Q. And I apologize. I said a few  
7 days. It's three weeks later.

8 A. Okay.

9 Q. But you don't have any  
10 recollection one way or the other of whether  
11 Ms. Erdoes became more involved in the  
12 Epstein relationship in the weeks and months  
13 after Ms. Staley {sic} said he was going to  
14 step back?

15 MR. EDELMAN: Objection to  
16 form.

17 THE WITNESS: Well, I don't  
18 actually know that Mr. Staley said he  
19 was going to step back. And I know  
20 Mr. Staley didn't step back.

21 I don't know if Ms. Erdoes  
22 stepped up her involvement, and I  
23 don't know whether this communication  
24 or series of e-mails I had with  
25 Ms. Erdoes relates to whether we were

1 going to maintain the account or what  
2 our position was on settling  
3 litigation with Mr. Epstein. I just  
4 don't -- or something else. I just  
5 don't know.

6 QUESTIONS BY MR. WARREN:

7 Q. And your basis for saying that  
8 Mr. Staley didn't step back from the Epstein  
9 relationship after April of 2011 is that you  
10 had -- is that he came to you in late 2011  
11 and asked you to speak with Mr. Epstein at  
12 Mr. Epstein's request?

13 A. Certainly that. I also don't  
14 remember him ever saying to me, I'm out. I'm  
15 not going to participate in the Epstein  
16 relationship.

17 And I certainly, now having  
18 seen some of the e-mail communications, don't  
19 see an e-mail response from him to any  
20 communication that I'm sending about Epstein  
21 saying, please don't copy me on these because  
22 I want nothing to do with this.

23 So I had no indication that  
24 Mr. Staley ever somehow recused himself or  
25 removed himself from the Epstein account.

1 Q. So your testimony is that if  
2 Mr. Staley were stepping back, he should have  
3 told you not to copy him on any future  
4 correspondence?

5 A. He sure should have.

6 MR. EDELMAN: Objection.

7 Objection to the form.

8 THE WITNESS: Yes, he should  
9 have. That is my view.

10 If he -- if he was somehow  
11 recusing himself or was not to be  
12 involved, then he should have said,  
13 I'm out on this. Don't include me in  
14 these e-mails.

15 QUESTIONS BY MR. WARREN:

16 Q. Where does the word "recuse"  
17 come from?

18 A. Well, I just gave it to you.

19 Q. Okay.

20 A. But, look, if he was somehow  
21 removing himself from consideration of the  
22 account, the disputes that JPMorgan had with  
23 the account, I would expect that he would  
24 say, I am not to be involved.

25 Q. But you don't know one way or

1 the other whether he was in actuality  
2 deferring to the judgment of Ms. Erdoes or  
3 others about what to do with the Epstein  
4 account?

5 MR. EDELMAN: Objection to  
6 form. Asked and answered at length.

7 THE WITNESS: It was my  
8 impression that he was not deferring  
9 to anybody, but actually in some ways  
10 he was putting his stamp on the  
11 question of whether we should -- how  
12 we should interact with Mr. Epstein.

13 So I had the impression that  
14 was the opposite of removal from  
15 consideration or deference to others.

16 QUESTIONS BY MR. WARREN:

17 Q. And the basis for the statement  
18 you just made is that in late 2011 he asked  
19 you to speak with Mr. Epstein?

20 MR. GAIL: Asked and answered.

21 THE WITNESS: Among other  
22 things.

23 QUESTIONS BY MR. WARREN:

24 Q. What were the other things?

25 A. Yeah. I remember --

1 MR. EDELMAN: Asked and  
2 answered.

3 THE WITNESS: -- communications  
4 during the summer that he was involved  
5 in about the Gates Foundation, about  
6 litigation, and I just do not have any  
7 recollection of his -- of his somehow  
8 stepping away or stepping back, or use  
9 whatever formulation you want to. I  
10 didn't think he was ever doing that.

11 QUESTIONS BY MR. WARREN:

12 Q. If Mr. Staley didn't need your  
13 approval for the Epstein relationship, why  
14 did you understand he was coming to you for  
15 your views in 2011?

16 A. You'll have to ask Mr. Staley  
17 that.

18 Q. I'm asking what was your  
19 understanding at the time of why Mr. Staley  
20 was coming to you, if your approval didn't  
21 matter.

22 A. Well, I think my advice should  
23 have mattered, and maybe he was concerned  
24 that I would, in fact, at some point say,  
25 absolutely not, you cannot, not you should



1 that you were relying on?

2 In other words --

3 A. I think I understand the  
4 question. I think I relied on Mr. -- look,  
5 I trusted Mr. Staley. You asked me before  
6 did I have reason to believe Mr. Staley would  
7 lie. Or -- those aren't your exact words,  
8 but in substance, I did not.

9 I think I relied on, you know,  
10 Mr. Staley's sense of the client because  
11 Mr. Staley was in close -- had a close  
12 relationship with him.

13 I think I relied on  
14 Mr. Staley's view that it was important that  
15 Mr. Epstein had all of these relationships  
16 with others in the world at large. You know,  
17 I think I used the shorthand before, sort of  
18 important people in the financial sector who  
19 placed their trust in Mr. Epstein. I mean,  
20 that came directly from Mr. Staley.

21 I don't remember Mr. Staley  
22 saying to me, you know, X or Y or Z, except  
23 that at some point Mr. Staley said, look, he  
24 has -- not in words, but in substance, he's  
25 turned a corner. He's turned a page. He

1 served his time.

2 I mean, I -- you know, would  
3 you characterize those as facts? I don't  
4 know. But, you know, Mr. -- it was important  
5 to me that Mr. Staley felt quite strongly, in  
6 a way that I thought was genuinely felt by  
7 him, that Mr. Epstein had served his  
8 sentence, paid his debt to society, was now  
9 doing the -- was on the straight and narrow  
10 and, again, had all of these other people who  
11 relied on him.

12 Q. But you ultimately disagreed  
13 with Mr. Staley's views of Mr. Epstein,  
14 right?

15 A. I did.

16 Q. So is it fair to say that you  
17 considered Mr. Staley's views, as you just  
18 expressed, but ultimately didn't rely on them  
19 and rejected them?

20 A. No, I don't think -- well, at  
21 the end of the day, I disagreed with  
22 Mr. Staley.

23 Did I -- was it -- was it  
24 unimportant to me that Mr. Staley thought,  
25 this is someone we should do business with?

1 THE WITNESS: I did rely on his  
2 views.

3 Again, I reached a judgment  
4 that was not the same judgment that  
5 Jes reached. But did I rely on his  
6 views? Absolutely I did, and I think  
7 quite appropriately.

8 He was a respected member of  
9 the operating committee. He had run  
10 the asset management business. He  
11 had -- he was running the investment  
12 bank. He knew this client.

13 So those views were important  
14 to me and I think formed an important  
15 backdrop for my ultimate advice, even  
16 though, again, it wasn't the advice  
17 that Jes would have wanted to hear and  
18 even though it was a conclusion that  
19 Jes didn't agree with.

20 QUESTIONS BY MR. WARREN:

21 Q. Would your ultimate advice have  
22 been different if Mr. Staley hadn't expressed  
23 his own personal views about the Epstein  
24 relationship?

25 A. It might have been, actually.

1 Q. How so?

2 A. Because it might have been a  
3 stronger articulation of the advice.

4 Or let me actually put it this  
5 way. If Jes had not had a strong view about  
6 maintaining Epstein as a client, we simply  
7 wouldn't have done it, period. They wouldn't  
8 have needed to come to me at all.

9 Q. Right.

10 My question is --

11 A. The only reason I was involved  
12 at all is that Jes felt so strongly that we  
13 should continue to do business with  
14 Mr. Epstein. That's why -- that's why people  
15 came to me.

16 Q. My question is whether your  
17 ultimate -- your view of Mr. Epstein would  
18 have been any different had Jes not expressed  
19 his own views.

20 MR. GAIL: Asked and answered.

21 MR. WARREN: Asked.

22 THE WITNESS: No, I think I --  
23 I think I've also answered the  
24 question. I think it might have  
25 affected the -- you know, how far

1 along the spectrum the "we should not  
2 do business" would have gone.

3 QUESTIONS BY MR. WARREN:

4 Q. So there was some conceivable  
5 world in which you may have insisted that  
6 Epstein be removed as a client in 2011?

7 A. I think if there was no one at  
8 the bank who was willing to stand up and  
9 vouch for the guy, I think we would have  
10 exited the account. I do.

11 And Jes Staley was vouching for  
12 him.

13 (Perry Exhibits 30 and 31  
14 introduced.)

15 QUESTIONS BY MR. WARREN:

16 Q. I'm going to show you two  
17 documents which were previously marked as  
18 Exhibits 30 and 31 in the Bonnie Perry  
19 deposition.

20 A. I know we took a break not long  
21 ago, Mr. Warner, but after -- and I don't  
22 need to do it while these documents are in  
23 front of me, but after we get through these  
24 two documents, I'd love a bathroom break.

25 Q. That's fine.